

NATIONAL DAIRY MARKET AT A GLANCE

CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (12/10)
BUTTER: Grade AA closed at \$1.6000. The weekly average for Grade AA is \$1.8667 (-.1850).

CHEESE: Barrels closed at \$1.5950 and blocks at \$1.7000. The weekly average for barrels is \$1.6375 (-.1570) and blocks, \$1.7230 (-.1615).

NONFAT DRY MILK: Extra Grade closed at \$0.8600 and Grade A at \$0.8600. The weekly average for both Extra Grade and Grade A is \$0.8560 (+.0060).

BUTTER: The market tone is weak as the cash price dropped sharply at weeks end. Demand remains seasonally good, although a major portion of the year-end anticipated needs have been shipped to retail distribution points. Many buyers are holding off placing refill orders in anticipation of a weaker cash price. Churning activity across the country depends on cream availability. Cream supplies are becoming more available to butter operations, but most butter producers are hesitant to take advantage of the expensive cream if they do not have a buyer for the butter produced. Class II cream demand is weakening as most holiday cream based dairy products have been shipped. Retail feature activity is occurring from coast to coast, although these features are less frequent than in years past.

CHEESE: The cheese market is unsettled to weak. Cash cheese prices fell dramatically early in the week, increasing speculation concerning additional reductions. New orders are usually lighter due to the price instability. Current American variety stocks remain tight to short. While year end inventory levels are an issue for some firms, others are working on orders for Super Bowl activities. Cheese production is higher in areas where milk intakes have rebounded from annual lows. Cumulative U.S. cheddar production through 10 months, adjusted to the same number of days, totals 2.301 billion pounds, up 4.8 million pounds (0.2%) from the same period in 2003. The adjusted 10 month total cheese production totals 7.302 billion pounds, up 173 million pounds (2.4%) from 2003.

FLUID MILK: Milk production patterns across the southern tier of states from Florida to California continue to show signs of seasonal growth. Further north, milk output is holding seasonally steady at basically low levels. Wet and cool conditions in New Mexico, Arizona, Northern California, and the Pacific Northwest continue to impact the milking herd. In instances, cow lots are in poor shape and herd health issues are more of a problem. Class I demand across the country is strong and is expected to remain so well into next week because bottlers will be increasing schedules to help build some inventory for anticipated needs. Often milk supplies remain in close balance to tight of full needs. Milk plants and handlers continue to prepare for the upcoming holidays when surplus milk volumes will be looking for a home. At this point, most milk handlers do not feel that there will be much of a problem handling the milk over the Christmas/New Year holiday period. Schools will be recessing for the holiday, but this vacation period will not be as long as previous years with both holidays occurring on the weekend.

DRY PRODUCTS: Nonfat dry milk markets are mixed. Stocks of powder

have tightened across the country with no powder being offered to CCC during the week, although prices are higher and lower. Sales of powder continue to be good under contract and to export accounts. Cheese producers still are seeking NDM to fortify/standardize cheese vats. The CCC announced Invitation 013 seeking bids for the sale of 2.0 million pounds of 30 to 36 month old NDM for unrestricted usage. Bids are due December 14th. Buttermilk powder markets are steady to weak with prices unchanged to sharply lower. The market tone is weak and characterized by heavier offerings and lower demand. Whey powder markets are generally steady at unchanged prices. Market activity remains light and typical for this time of year. Spot buyers likely have enough on hand to carry them into 2005 and are trying to work those stocks lower before reordering. An export tender for the Far East appears that it will be filled with U.S. sourced powder at prices that are thought to be in the current price range for delivery in the first quarter of 2005.

CCC: For the period of December 6 - 10, there were no purchases or cancellations of dairy products under the Dairy Support Program. This is the first week since October 2001 that no activity has occurred.

OCTOBER DAIRY PRODUCTS HIGHLIGHTS (NASS): Butter production was 103.0 million pounds during October, 6.4% more than October 2003 and 11.8% heavier than last month. American type cheese production totaled 311.2 million pounds, 2.0% heavier than last October and 5.4% above last month. Total cheese output (excluding cottage cheese) was 746.2 million pounds, 0.8% more than October 2003 and 4.2% more than last month. Current monthly dry dairy product output and the comparison to October 2003 are as follows: Human food NDM, 94.6 million pounds, down 11.5%; dry whole milk, 44.5 million pounds, off 5.7%; dry buttermilk, 4.0 million pounds, up 9.3%; and Human food quality dry whey, 74.6 million pounds, down 7.7%.

OCTOBER FLUID MILK SALES (AMS & CDEA): During October, about 4.7 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 3.1% lower than October 2003. After adjusting for calendar composition, sales in October 2004 were 1.2% lower than October 2003. On an individual product basis, after adjusting for calendar composition, sales of flavored fat-reduced milk increased from October 2003, while sales of whole milk, flavored whole milk, reduced fat (2%) milk, low fat (1%) milk, fat-free (skim) milk, and buttermilk decreased from a year earlier.

ERRATA: Commercial Disappearance Report (page 11 of report #48)—data was correct, although the heading time periods were incorrect. The time periods should have been Jul – Sep and Jan – Sep.

The following is a corrected reprint of report 48's glance narrative.

Commercial disappearance of dairy products for the period of July – September 2004 totals 44.5 billion pounds, 0.9% below the same period in 2003. Comparing disappearance levels with year earlier levels: butter is +5.2%; American cheese, -1.7%; other cheese, +1.0%; NDM, +23.8%; and fluid milk products, -0.5%.

******SPECIAL THIS ISSUE******

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**CHICAGO MERCANTILE EXCHANGE
CASH TRADING**

PRODUCT	MONDAY DECEMBER 6	TUESDAY DECEMBER 7	WEDNESDAY DECEMBER 8	THURSDAY DECEMBER 9	FRIDAY DECEMBER 10	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.7300 (-.1075)	\$1.6725 (-.0575)	\$1.5950 (-.0775)	\$1.5950 (N.C.)	\$1.5950 (N.C.)	(-.2425)	\$1.6375 (-.1570)
40# BLOCKS	\$1.7500 (-.2025)	\$1.7000 (-.0500)	\$1.7325 (+.0325)	\$1.7325 (N.C.)	\$1.7000 (-.0325)	(-.2525)	\$1.7230 (-.1615)
NONFAT DRY MILK EXTRA GRADE	\$.8500 (N.C.)	\$.8500 (N.C.)	\$.8600 (+.0100)	\$.8600 (N.C.)	\$.8600 (N.C.)	(+.0100)	\$.8560 (+.0060)
GRADE A	\$.8500 (N.C.)	\$.8500 (N.C.)	\$.8600 (+.0100)	\$.8600 (N.C.)	\$.8600 (N.C.)	(+.0100)	\$.8560 (+.0060)
BUTTER GRADE AA	\$2.0000 (-.0525)	----	\$2.0000 (N.C.)	----	\$1.6000 (-.4000)	(-.4525)	\$1.8667 (-.1850)

CHEESE: carload = 40,000-44,000 lbs., NONFAT DRY MILK: carlot = 42,000-45,000 lbs., BUTTER: carlot = 40,000-43,000 lbs. *Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM

CHICAGO MERCANTILE EXCHANGE

MONDAY, DECEMBER 6, 2004

CHEESE — SALES: 8 CARS BARRELS: 5 @ \$1.8375, 1 @ \$1.8400, 1 @ \$1.8600, 1 @ \$1.7300; 1 CAR 40# BLOCKS @ \$1.7500; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

ONFAT DRY MILK — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

BUTTER — SALES: 7 CARS: 2 @ \$1.9400, 3 @ \$1.9000, 1 @ \$1.9500, 1 @ \$1.9700; BIDS UNFILLED: 9 CARS: 1 @ \$2.0000, 1 @ \$1.9300, 5 @ \$1.9100, 2 @ \$1.9000; OFFERS UNCOVERED: 1 CAR @ \$2.0700

TUESDAY, DECEMBER 7, 2004

CHEESE — SALES: 1 CAR 40# BLOCKS @ \$1.7000; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$1.7000; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.6725; 3 CARS 40# BLOCKS: 1 @ \$1.7025, 1 @ \$1.7450, 1 @ \$1.7500

NONFAT DRY MILK — SALES: NONE; BIDS UNFILLED: 2 CARS EXTRA GRADE @ \$0.8500; 2 CARS GRADE A @ \$0.8500; OFFERS UNCOVERED: NONE

WEDNESDAY, DECEMBER 8, 2004

CHEESE — SALES: 8 CARS 40# BLOCKS: 4 @ \$1.7000, 1 @ \$1.7025, 1 @ \$1.7100, 2 @ \$1.7325; BIDS UNFILLED: 2 CARS 40# BLOCKS: 1 @ \$1.7325, 1 @ \$1.7000; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.5950

NONFAT DRY MILK — SALES: NONE; BIDS UNFILLED: 1 CAR EXTRA GRADE @ \$0.8600; 1 CAR GRADE A @ \$0.8600; OFFERS UNCOVERED: NONE

BUTTER — SALES: NONE; BIDS UNFILLED: 1 CAR @ \$2.0000; OFFERS UNCOVERED: NONE

THURSDAY, DECEMBER 9, 2004

CHEESE — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.5950

NONFAT DRY MILK — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

FRIDAY, DECEMBER 10, 2004

CHEESE — SALES: 8 CARS 40# BLOCKS @ \$1.7000; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.5950; 1 CAR 40# BLOCKS @ \$1.7100

NONFAT DRY MILK — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

BUTTER — SALES: 6 CARS: 1 @ \$1.7000, 1 @ \$1.6500, 1 @ \$1.6100, 1 @ \$1.6050, 2 @ \$1.6000; BIDS UNFILLED: 2 CARS: 1 @ \$1.6000, 1 @ \$1.4000; OFFERS UNCOVERED: 1 CAR @ \$1.7000

BUTTER MARKETS**OCTOBER BUTTER PRODUCTION**

During October 2004, butter production in the United States totaled 103.0 million pounds, 6.4% more than October 2003 and 11.8% more than September 2004. The following are October to October changes for various states: CA +18.6%, NY -33.6%, PA +9.0% and WI +27.1%.

NORTHEAST

The market tone is unsettled. The cash butter price at the CME closed 5+ cents lower during Monday's (12/6) trading. However, during the session, butter did sell as low as \$1.90 before rebounding to \$2.00. Some contacts expect additional price declines, while others feel the market is "where it needs to be." Demand remains seasonally good, but a major portion of the year-end anticipated needs have been shipped to retail distribution points. Other distributors are taking additional volumes, but are waiting as long as they can to see if prices move lower. Churning activity continues to be light in the Northeast where cream supplies are tightening from Thanksgiving week. Food service orders are fair to good and retail sales are just fair, unless featured. Sales of bulk butter f.o.b. East, are reported in a range of flat market to 5.5 cents over the CME price/average.

CENTRAL

The butter market tone remains basically steady although the cash price at the CME declined to \$2.0000 on Monday of this week. Some producers and handlers felt that this may be the start of the seasonal decline, but the cash price held at midweek. The fire at a major butter printing operation in the Midwest last week continues to be discussed by the dairy industry. At this point, buyers that were looking for additional cream last week are able to absorb some of the displaced cream going into this operation, while other facilities are enhancing their printing

operations to help out. Holiday orders continue to be reported as good. With the year-end holidays just 2 – 3 weeks away, most butter has been shipped with fill-in orders now being placed. Retail feature activity has been occurring, but not at the level of previous years. Food service orders have been and continue to be quite good. Bulk butter for spot sale is being reported in the 2 - 4 cents per pound range over various pricing basis.

WEST

Butter prices at the cash CME market were firm last week topping out at \$2.0525. Prices have declined 5 1/4 cents this week to stand at \$2.00. A number of buyers report being covered for the year-end holiday needs and they will wait to see if prices begin to decline before they begin to reorder to fill depleted stock levels. Some additional supplies of bulk butter are being offered in multi-load lots and not finding much buyer interest at current price levels. Some Western packaging plants are stepping up to help fill in the holes caused by a fire at a major Minnesota packaging plant. Most machine time is now spoken for before the holidays. More cream is available for churning, but buyers at churns are hesitant to purchase at these costs if they are not guaranteed a home for the butter. U.S. butter output in October is reported at 103.0 million pounds, up 6.4% from last year. Cumulative butter production for the first ten months of the year totals 1.01 billion pounds, down 2.9% (29.9 million pounds) from the same period in 2003. In October, butter output in the Western region was up 11.6% from last year at 47.9 million pounds. The West produces about 47% of U.S. butter output. Inventories reported in CME warehouses for last week declined by 1.7 million pounds to stand at 12.6 million pounds. Last year stocks were at 65.3 million pounds for this same week. Bulk butter prices range from flat to 4 cents under based on the CME with various time frames and averages.

NASS DAIRY PRODUCT PRICES**U.S. AVERAGES AND TOTAL POUNDS**

WEEK ENDING	CHEESE		NDM	BUTTER	DRY WHEY
	40# BLOCKS	BARRELS 38% MOISTURE			
DECEMBER 4	1.7270	1.7236	0.8688	2.0205	0.2408
	8,661,470	8,704,405	20,815,412	2,798,074	11,171,402

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

CHEESE MARKETS

NORTHEAST

Prices are generally higher following last week's changes at the CME. However, the prices fell sharply during Monday's (12/6) trading at the CME. This may cause some distributors to delay orders until next week to take advantage of the lower prices. Those who buy on monthly averages or need cheese now, do not have the luxury to wait for lower prices. Cheese production in the Northeast remains light, but some plants are finding more milk to process, which is pulling milk away from butter/powder plants. Retail and food service orders are mostly steady.

WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.9525-2.4675
Cheddar Single Daisies	:	1.9100-2.3850
Cheddar 40# Block	:	2.0225-2.2850
Process 5# Loaf	:	2.0050-2.2125
Process 5# Sliced	:	2.0250-2.2650
Muenster	:	2.1250-2.3275
Grade A Swiss Cuts 10 - 14#	:	2.4500-2.6500

MIDWEST

The cheese market is unsettled to weak. Cash cheese prices have declined sharply from last week's recent peak levels at the Chicago Mercantile Exchange. Most traders expect additional reductions may occur before prices settle. New orders are slower as buyers wait for average prices to catch up with recent declines. A few offers are starting to occur where sellers are trying to clear loads at higher prices though most buyer interest is limited. Current non-cheddar American varieties remain well short of needs. Current cheddar remains tight to short. Brick and muenster offerings are tight to short. At least a few bulk buyers are also having difficulty in securing Swiss. Overtime continues for many cutters though reductions in line time may increase. Process orders are fairly good for this time of year though overtime needed is limited. Cheese production seems to be increasing within the region as milk intakes rebound seasonally. Cheese yields remain very good seasonally.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.9750-2.1550
Brick And/Or Muenster 5#	:	1.9800-2.5400
Cheddar 40# Block	:	1.8800-2.2650
Monterey Jack 10#	:	1.8600-2.4800
Blue 5#	:	2.7000-2.7350
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.8900-2.3650
Grade A Swiss Cuts 6 - 9#	:	2.5000-2.9500

WEEKLY COLD STORAGE HOLDINGS-SELECTED STORAGE CENTERS
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

BUTTER : CHEESE			
		:	
12/06/04	10,047	:	125,214
12/01/04	12,616	:	125,402
CHANGE	-2,569	:	-188
% CHANGE	-20	:	N.C.

WEST

Cash cheese prices at the CME continued to increase last week with blocks topping out at \$1.9525. This week, prices have moved sharply lower and back higher again. Blocks declined 25 1/4 cents in two trading sessions and rebounded 3 1/4 cents. Buyers are not showing the aggressiveness in searching for additional cheese. Some offers have appeared on the market, but trading volume remains light. Buyers, in general, are indicating that they have enough cheese to cover year-end needs and that they will return to the market when they sense a bottom is nearing. Indications are that buying interest will be strong in January. End user stocks are tight and quite a bit of feature activity is planned for next year. Many contacts assume that demand will be quick to pick up as prices continue to fall which will tend to put a bottom in the market. USDA reports that American cheese production in October totals 311.2 million pounds, up 2.0% from last year. Total cheese output for the month is 746.2 million pounds, up 0.8% from October 2003. Swiss cheese output fell 3.5% from last year to stand at 23.3 million pounds. Cumulative total cheese output for the first ten months of the year is 7.33 billion pounds, up 2.8% (197.3 million pounds) from the same period in 2003.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.9475-2.2075
Cheddar 40# Block	:	2.0050-2.3575
Cheddar 10# Cuts	:	2.1850-2.4050
Monterey Jack 10#	:	2.1950-2.3550
Grade A Swiss Cuts 6 - 9#	:	2.2500-2.7000

FOREIGN

Prices are steady on imported, moderately higher on domestic styles. The market tone is improving along seasonal patterns. Demand is improving, which is typical for the holiday season. Stocks are adequate to cover current needs.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
	:	:
Roquefort	: TFEWR	: -0-
Blue	: 2.6400-4.2900	: 2.2675-3.7675*
Gorgonzola	: 3.6900-5.9400	: 2.4900-2.7825*
Parmesan (Italy)	: TFEWR	: 3.6775-3.7875*
Romano (Italy)	: 2.1000-3.1500	: -0-
Provolone (Italy)	: 3.4400-5.6900	: 2.2800-2.5025*
Romano (Cows Milk)	: -0-	: 3.4625-5.6375*
Sardo Romano (Argentina)	: 2.8500-3.2900	: -0-
Reggianito (Argentina)	: 2.6900-3.2900	: -0-
Jarlsberg-(Brand)	: 2.9500-4.0900	: -0-
Swiss Cuts Switzerland	: -0-	: 2.4500-2.6500
Swiss Cuts Finnish	: 2.5900-2.8500	: -0-
Swiss Cuts Austrian	: TFEWR	: -0-
Edam	:	:
2 Pound	: TFEWR	: -0-
4 Pound	: 2.1900-3.4500	: -0-
Gouda, Large	: TFEWR	: -0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	: 27.8000-31.7000	: -0-

* = Price change.

FLUID MILK AND CREAM

E A S T

Spot shipments of Grade A milk into or out of Florida and other Southeastern states

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	36	0	46	0	0	0
SOUTHEAST STATES	0	0	0	0	0	0

The following are the November 2004 Class and component prices under the Federal Milk Order pricing system: Class II \$14.09 (up \$0.52 from October), Class III \$14.89 (up \$0.73), and Class IV \$13.34 (up \$0.53). The following are the product price averages used in computing Class prices: butter \$1.8224, NDM \$0.8570, cheese \$1.5886 and dry whey \$0.2367. The Class II butterfat price is \$2.0559 and the Class III/IV butterfat price is \$2.0489. Milk production is moving slowly upward in the Southeast while steady to slightly higher in the Northeast. Fluid milk supplies are still reported as tight throughout the East. Florida's milk needs are fairly well balanced and handlers imported thirty-six loads this week. Milk output in Florida is recovering from the post-hurricane period when cows and farms were lost. Bottlers are increasing schedules to help build some inventory for anticipated needs. In some areas, schools will likely have shorter recesses this year as they try to make up some days lost because of the hurricanes. In the Northeast, Class I milk demand is good and expected to hold through late next week. Surplus milk volumes are tight. Cheese operations are taking as much milk as they can find. However, lower cheese prices (a good time to store cheddar for aging) are being offset by anticipated high Class III milk prices in December. Butter/powder plant receipts are light. Contacts report that there are some inquiries about handling milk over the holidays, but there are far fewer than previous years. There are recent reports of Class I & II plant closings in the Northeast, which is an indicator of current and projected milk supply in this region. The condensed skim market is unchanged, but prices are often higher, which slows spot interest. Class III sales were already slow, but prices have increased with projected higher Class III skim prices for December. The fluid cream market is in a little better balance this week. Demand is less aggressive as buyers wait to see if prices will come down. However, some seasonal products do need to be made to fill holiday needs. Egg nog output has increased after the post-Thanksgiving lull. Production of dips, bottled cream, sour cream and cream cheese are seasonal. Spot prices are generally higher, but with supplies in better balance some of the higher-priced sales met with resistance. Buyers and/or users, seeing Monday's (12/6) CME butter price, may be waiting for lower prices next week, if they can. Churning activity remains light.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST	-	2.6672-2.9339
DELIVERED EQUIVALENT ATLANTA	-	2.6262-2.9544 M 2.7082-2.8313
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	2.7493-2.8724

PRICES OF CONDENSED SKIM, \$ PER LB SOLIDS

F.O.B. PRODUCING PLANTS:

NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	-	.9600- .9800
NORTHEAST- CLASS III - SPOT PRICES	-	1.1000-1.2300

M I D W E S T

Class I demand remains strong. Handlers are anticipating next week being a particularly good week from bottlers as they prepare late holiday orders. Production of holiday items such as dips and sour cream is still good, though for eggnog, some orders are more fill-in type. Cottage cheese production also is fairly active. Handlers expect Class I usage to be strong until the week of December 20 when schools start to close for the holidays. However, most feel having the yearend holidays on Friday will minimize the disruption and many schools will close for a shorter break. Many regulars in the industry were in Kansas City for the Federal Order hearing. Manufacturing milk interest seems weaker in the new month, perhaps due to the expected increase in Class III price

as well as recent sharp declines in cheese prices on the Chicago Mercantile Exchange. Reported spot prices ranged from about \$1.50 - 2.25 over class, fob shipper. Milk supplies remain seasonally tight. Plant milk intakes are starting to show a slow increase from the annual low in more locations. Cream demand is spotty, frequently good though buyers are wary of a possible decline in butter prices by yearend. A butter plant fire caused some cream loads to be diverted from regular patterns. Ice cream production is still fairly good for December though most plants are still expected to close for 2 weeks at yearend. Very scattered fields remain to be harvested with most harvest and tillage equipment already put away for the winter. Thus far, except for locations closest to Canada, snow cover is limited and most recent precipitation has come as rain to replenish watertables. Temperatures have generally remained above normal for December.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	DEC 2 - DEC 8	PREVIOUS YEAR
SLAUGHTER COWS	\$ 46.00- 53.00	\$ 50.00- 57.00
REPLACEMENT HEIFER CALVES	\$290.00-550.00	\$300.00-450.00

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	DEC 2 - DEC 8	PREVIOUS YEAR
SLAUGHTER COWS	\$ 43.00- 57.00	\$ 48.00- 59.00

W E S T

CALIFORNIA milk production is seeing greater variation than expected. In the south, output is declining and load weights are not as high as expected. This is surprising to handlers. Fluid milk orders are fair to good and generally have returned to pre holiday levels. Milk output ranges from slightly lower to slightly higher in the Central Valley. There are no evident answers to the variability, but the levels are most often higher than year ago levels. Plants in the regions are running on schedule with several cheese producers wanting additional milk. Further north, wet conditions are common with only slight impacts noted on milk intakes. Fluid milk and seasonal item orders are good. Milk production is steady to lower across NEW MEXICO. Wet and cool weather conditions continue to impact the milking herds. Less milk is moving towards the southeast to supplement needs. Fluid milk orders returned to normal levels after the holiday. Processing plants are running on schedule. ARIZONA milk production is moving slightly higher from last week. Output has been tempered by rainy and cooler conditions. Seasonal high fat and protein levels are noted. Plants are running on schedule. Bottling milk orders remain strong. The CREAM market is unsettled. Butter prices declined to \$2.0000 this week, a decline of 5.25 cents from last Wednesday. Cream buyers want lower basing points and multiples. More cream is available and there is more pressure to lower prices. Butter churning is active. Cream based holiday items continue to be heavily produced. Cream multiples range from 112 to 125, FOB and vary depending on class usage and basing point. Conditions are extremely wet in the PACIFIC NORTHWEST. Rain has continued over the better part of a week. It has also warmed up some which has meant that some low land flooding has occurred as the low snow is melted out. Some major mountain passes have been closed for various periods of time due to impassible roads. Cow lots are in poor shape and herd health issues are more of a problem. The numbers sold at a monthly dairy animal sale in Washington were down from last month and last year to only 367 head. Cow prices have moved lower, averaging \$1450-1750, down \$150-200 from the October report. Springing heifers sold at \$1900-2200, about unchanged from the last report. Weather patterns in UTAH and IDAHO have also been wet and cold. A warming trend is now occurring that is causing some frozen cow lots to turn into mud. Mastitis cases are on the increase. Milk supplies are about steady with fat and solids tests good for this time of year. Quality hay supplies are just about gone and buyers are stepping down in quality to find the hay that they need for winter feeding. Heifer prices at two sales in the region range from steady to firm and are in the range of \$1610-1780 on average.

NDM, BUTTERMILK & WHOLE MILK

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Prices are lower on a mostly steady market. Some plants are noting increased milk intakes due to reduced Class I demand and higher milk production. NDM production is expected to increase seasonally as the new year approaches. Inquiries are noted by brokers and some cheese operations. Demand from cheese plants is reportedly reduced compared to the week prior. Resale loads of CCC exchange stocks are scant for the good interest. Western aged supplies of Extra Grade low heat NDM are being traded into the Midwest at competitive prices delivered. High heat spot trade is light and remains less than seasonal.

EAST: The market tone remains relatively firm and prices are mostly steady. Some adjustments lower were noted and reflect December's price schedules. Production levels remain light, reflecting the current, tight surplus milk supply. Demand is steady at fairly good levels, but spot sales are occasionally slower due to year-end considerations. Producer stocks are declining as contract sales are clearing NDM faster than it is being made. Contacts continue to comment on the tighter availability of "government powder." However, CCC has issued invitation 013 to Announcement DSC1, inviting competitive bids to buy from CCC approximately 2,000,000 pounds of NDM for unrestricted use. Bids need to be submitted by December 15. The NDM being offered for sale was all produced in the first third of 2002.

DAIRY PRODUCTS: Production of human food, nonfat dry milk during October 2004 totaled 94.6 million pounds, down 11.5% from October 2003 but 0.7% above September 2004. Month ending stocks, at 115.4 million pounds, are 65.0% above a year ago but 9.3% below than last month.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUMHEAT: .8500 - .9200 MOSTLY: .8700 - .8800
HIGHHEAT: .9100 - .9700

NONFAT DRY MILK - WEST

Western low/medium heat nonfat dry milk prices moved higher and reflect the general tightness in offerings in the current market. Sales continue to be good under contract and to export accounts. Cheese producers still are seeking NDM to fortify/standardize cheese vats. The availability is tight and higher bids are needed to secure product. There are no support price purchases again this week. The CCC announced Invitation 013 seeking bids for 2.0 million pounds of 30 to 36 month old NDM for unrestricted usage. Bids are due December 14th. High heat prices are unchanged and the market tone is flat. Demand is limited and bakery account interest is down. Stocks are ample for all needs. U.S. NDM production in October totaled 94.6 million pounds, 11.5% lower than last year but 0.7% more than September. Cumulative yearly, unadjusted production through October 2004 totals 1.22 billion pounds, 8.7% (116.9 million pounds) less when compared to the same period in 2003. October production in the Western region totaled 84.7 million pounds, down 7.0% from last year. California produced 65.1 million pounds, up 13.8% from October 2003. U.S. manufacturers' stocks at the end of October were reported at 115.4 million pounds, 65.0% more than last year's level but 9.3% less than last month.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUMHEAT: .8400 - .9300 MOSTLY: .8500 - .9000
HIGHHEAT: .8400 - .9000

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
December 3	\$.8613	12,485,582	912,365
November 26	\$.8561	8,764,155	813,123

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Total sales (pounds) include sales to CCC. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

DRY BUTTERMILK - CENTRAL

Prices are unchanged and nominal on a weak market. Production is seasonally increasing at most locations. Some plants are noting a renewed condensed buttermilk interest from ice cream operations that is expected to dissipate as the holidays draw near. Inventories are building yet producers are not aggressively pursuing sales. Reduced prices reported in the Western region may affect Central region prices, especially as Western supplies are offered into the Midwest. Demand currently remains light with most product trading on a contractual basis. Production of dry buttermilk during October 2004 totaled 4.0 million pounds, 9.3% more than October 2003 and 11.5% above September 2004. Month ending stocks, at 7.1 million pounds, are 228.5% above a year ago and 11.9% higher than September 2004.

F.O.B. CENTRAL: .9000 - .9550

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices are steady to mostly lower in limited trading. The market tone is weaker as the slower demand is causing downward pressure on prices. Eastern production levels remain light and producer stocks are manageable. The Northeast price range is nominal. Dry buttermilk production during October 2004 totaled 4.0 million pounds, up 9.3% from last October and 11.4% more than September 2004. Month ending stocks, at 7.1 million pounds, are more than double last year and 11.9% more than a month ago.

F.O.B. NORTHEAST: .9200 - .9600
DELVD SOUTHEAST: .9500 - 1.0000

DRY BUTTERMILK - WEST

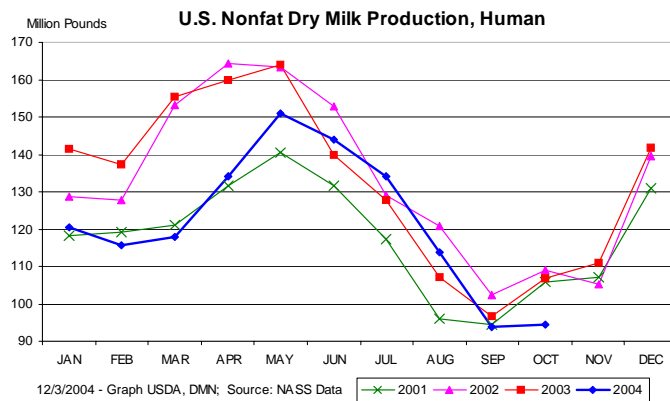
Prices for dry buttermilk continue to trend sharply lower. The market tone is weak and characterized by heavier offerings and lower demand. Buyers are reluctant to make purchases in a declining market and bakery accounts often see lower needs currently. Sellers continue to discount in attempts to move product. Churning is active in the region and expected to grow. Stocks are ample to long of current needs. U.S. dry buttermilk production in October totaled 4.0 million pounds, up 9.3% from last year and 11.5% more than September. Stocks at the end of October were 7.1 million pounds, more than 3.2 times the level a year ago and 11.9% higher than last month.

F.O.B. WEST: .9000 - 1.0200 MOSTLY: .9300 - .9700

DRY WHOLE MILK - NATIONAL

Prices are often higher as some producers adjust their prices to the new Class IV milk price announced December 3. Prices remain nominal as few spot sales are reported. Production levels are light and geared toward meeting contract deliveries. Spot demand is slow to fair, mostly slow. Dry whole milk production during October 2004 totaled 3.1 million pounds, up 8.7% from last October but 4.9% less than September 2004.

F.O.B. PRODUCING PLANT: 1.3050 - 1.5200



WHEY, CASEIN & EVAPORATED MILK

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

DRY WHEY - CENTRAL

Prices are generally unchanged on a steady market. Trade activity is very light. Offers of extra loads of whey are noted into some trading firms. Receipt of additional loads of whey on a contract is possible into some feed operations. Contractual discussions for 2005 are underway with some contractual arrangements unchanged from 2004. Export interest is fair with no new inquiries reported. Resale trade is light. Production is steady. Production of human food, dry whey during October 2004 totaled 74.6 million pounds, 7.7% less than October 2003 but 1.1% above September 2004. Month ending stocks, at 27.5 million pounds, are 22.1% below a year ago and 12.1% less than September 2004.

F.O.B. CENTRAL: .2400 - .2500 MOSTLY: .2400 - .2450

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices are unchanged and the market tone is steady. Market activity remains light and typical for this time of year. Spot buyers likely have enough on hand to carry them into 2005 and are trying to work those stocks lower before reordering. Producers and traders report fewer spot inquiries this week. Production levels remain light and producer stocks are light. A few spot loads are available at scattered plants, but most Eastern producers are in a sold out position. Producers are hoping that the upcoming holiday period generates more surplus milk to process. Production of human food, dry whey during October totaled 74.6 million pounds, 7.7% less than October 2003 but 1.1% more than September 2004. Month ending stocks, at 27.5 million pounds, are 22.1% below last year and 12.1% less than a month ago. Production of animal feed, dry whey during October totaled 5.7 million pounds, 7.9% more than a year ago but 8.6% below September 2004.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .2475 - .2650
DELVD SOUTHEAST: .2700 - .2825

DRY WHEY - WEST

Western whey prices range from steady to fractionally higher in more active trading. Buyers, both domestically and for export needs, continue to search for good volumes of powder. An export tender for the Far East appears that it will be filled with U.S. sourced powder at prices that are thought to be in the current price range for delivery in the first quarter of 2005. Powder is very limited in Europe and prices are firm there. Some operations are not seeing the milk that they expected for December. U.S. edible whey production for October totals 74.6 million pounds, down 7.7% from a year earlier. Stocks of edible whey at the end of October total 27.5 million pounds, down 22.1% from last year. Output in the Western region is 23.1 million pounds, down 2.4% from October 2003. Cumulative total dry whey output for the first ten months of the year has reached 865.2 million pounds, down 5.4% (49.8 million pounds) from the same period last year.

NONHYGROSCOPIC: .2400 - .2650 MOSTLY: .2500 - .2550

ANIMAL FEED WHEY - CENTRAL

Prices are unchanged to lower on a mostly steady market. Increased offers are noted compared to the week prior. Demand is generally good as feed buyers opt to purchase lower cost feed grade whey versus the higher cost of dry permeate or Extra Grade whey. Veal prices are mostly steady while early weaned pig markets are trending firm. Production of animal, dry whey during October 2004 totaled 5.7 million pounds, 7.9% more than October 2003 but 8.6% below September 2004. Month ending stocks, at 2.9 million pounds, are 2.8% higher than year ago but 43.1% less than September 2004.

F.O.B. CENTRAL:
MILK REPLACER: .2000 - .2200

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are unchanged to higher on a steady to firm market. Supplies are generally tight. Some producers report that if they had the supplies, they would sell it at a premium of 1-2 cents. Resale trade is light. Feed buyers are expressing interest in negotiating contracts for 2005. Producers are hesitant to contract in light of reduced supplies expected as some firms switch away from 34% WPC to higher protein products. Supplies of Canadian 34% WPC are available to some feed operations with some buyers seeking additional loads in 2005. Supply availability of Canadian WPC may be limited as some firms report a "sold out" position for 2005. Reduced milk production in Oceania is also expected to reduce supplies of WPC available to the US market in 2005. Off grade supplies are available at prices that vary with the quality for the good feed interest. Production of HUMAN FOOD (25.0-89.9%) WPC during October 2004 totaled 24.3 million pounds, 3.5% higher from October 2003 and 0.6% above September 2004. Manufacturers' end-of-month stocks totaled 20.5 million pounds, 10.3% lower than a year ago and 5.8% below last month. Production of ANIMAL FEED (25.0-89.9%) WPC during October 2004 totaled 4.2 million pounds, up 11.9% from October 2003 and 9.8% above September 2004. Manufacturers' end-of-month stocks totaled 2.2 million pounds, 7.5% below last year and 13.6% lower than last month.

F.O.B. EXTRA GRADE 34% PROTEIN: .5800 - .6400 MOSTLY: .6175 - .6275

LACTOSE - CENTRAL AND WEST

Prices are mostly unchanged on a steady to weak market. Trades continue to be reported at the lower end of the range in order to alleviate excess inventories of lower mesh product at some locations. Trade negotiations remain unsettled for the first quarter. Some firms state that their offers into export markets are being undercut by other domestic firms despite the fact that most US producer plants report steady offering prices. Production is mostly steady yet inventories are building at some locations. Off grade supplies are available and trading readily into some feed operations as a substitute for dry permeate or whey. Lactose production during October 2004 totaled 56.3 million pounds, up 12.6% from October 2003 and 3.5% higher than September 2004. Month ending stocks, at 72.0 million pounds, are 69.9% higher than a year ago and 8.8% above last month.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

F.O.B. EDIBLE: .1450 - .2300 MOSTLY: .1700 - .2000

CASEIN - NATIONAL

Casein markets and prices remain firm. Domestic buyers continue to question suppliers as to what the supply situation will be for 2005 and where prices will be. At this point, it appears that supplies will remain tight and prices will strengthen further. Some buyers are stating that they are hearing of prices in the mid \$3.00 range by second quarter. Suppliers state that the production season in Oceania is not as positive as anticipated and The European season has now ended and orders are being filled from inventoried stocks. CCC continues to offer government owned skim milk powder for the production of casein/caseinate. Bids under invitation #035 of \$0.3860 - 0.4100 per pound were rejected. Recent bids of \$0.3500 - 0.3800 have also been rejected with the most recent sale at \$0.4000 per pound early in November.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE F.O.B., U.S. WAREHOUSE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 2.8500 - 3.1500
ACID: 2.9000 - 3.0500

EVAPORATED MILK - NATIONAL

Prices are unchanged and the market tone is steady. Production patterns are lighter than expected for this time of year. Surplus milk supplies remain tight in much of the country. Most retail needs have been shipped and are in the retailers' distribution channels. It is reported that not only is the price of milk increasing, but the price of cans/steel will be increasing approximately 15% on January 1. Canned evaporated milk production during October totaled 44.5 million pounds, 5.7% less than October 2003 but 4.4% more than September 2004. Month ending stocks, at 51.9 million pounds, are 11.5% less than a year ago and 31.5% less last month.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$22.00 - 30.00

Excluding promotional and other sales allowances. Included new price announcements.

CHICAGO MERCANTILE EXCHANGE FUTURES

Selected settling prices, (open interest), and volume 1/

Month	11/24	11/25	11/26	11/29	11/30	12/01	12/02	12/03	12/06	12/07
CME - (CLASS III) MILK FUTURES -- Dollars per cwt										
NOV 04	14.92 (3897) 0	NO TRADING	14.92 (3809) 198	14.97 (3815) 14	14.97 (3808) 16	14.97 (3797) 2	14.97 (3281) 0	14.89		
DEC 04	16.67 (4510) 5		16.67 (4512) 603	16.95 (4505) 497	16.97 (4512) 324	16.88 (4456) 469	17.15 (4437) 378	17.20 (4462) 231	16.95 (4528) 347	16.50 (4694) 306
JAN 05	14.66 (2711) 21		14.66 (2841) 421	15.07 (2998) 470	15.07 (3064) 293	14.88 (3203) 459	14.99 (3229) 201	14.95 (3285) 561	14.44 (3303) 475	14.06 (3337) 300
FEB 05	13.35 (2116) 3		13.35 (2196) 286	14.00 (2375) 291	14.06 (2399) 177	13.85 (2514) 176	13.92 (2547) 101	13.98 (2587) 126	13.60 (2608) 205	13.17 (2610) 152
MAR 05	12.89 (2430) 0		12.89 (2444) 156	13.25 (2521) 201	13.25 (2533) 136	13.05 (2557) 129	13.02 (2563) 37	13.02 (2595) 103	12.71 (2658) 167	12.71 (2642) 70
APR 05	12.60 (1480) 0		12.60 (1497) 68	12.95 (1550) 137	13.00 (1540) 44	12.95 (1584) 125	12.99 (1588) 33	12.90 (1594) 61	12.85 (1588) 56	12.72 (1595) 41
MAY 05	12.46 (1336) 0		12.46 (1342) 80	12.65 (1386) 74	12.65 (1393) 27	12.70 (1450) 125	12.70 (1440) 29	12.67 (1459) 48	12.65 (1471) 55	12.60 (1487) 37
JUN 05	12.49 (1079) 0		12.49 (1104) 70	12.60 (1147) 114	12.60 (1156) 20	12.65 (1222) 115	12.70 (1223) 9	12.70 (1234) 72	12.75 (1228) 41	12.80 (1228) 22
JUL 05	12.76 (956) 0		12.76 (955) 43	12.78 (957) 61	12.80 (976) 53	12.85 (971) 19	12.90 (977) 9	12.85 (990) 21	12.86 (995) 37	12.88 (1005) 18
AUG 05	13.28 (958) 0		13.28 (959) 32	13.28 (956) 38	13.32 (975) 42	13.28 (975) 12	13.28 (979) 6	13.27 (982) 44	13.25 (1000) 32	13.25 (1026) 48
SEP 05	13.53 (913) 0		13.53 (927) 18	13.54 (926) 36	13.54 (935) 54	13.54 (942) 7	13.54 (948) 9	13.54 (953) 21	13.54 (952) 26	13.54 (979) 85
OCT 05	12.85 (660) 0		12.85 (667) 9	12.85 (665) 37	12.85 (684) 60	12.89 (688) 10	12.87 (691) 6	12.88 (694) 19	12.88 (697) 24	12.89 (717) 31
NOV 05	12.20 (462) 0		12.20 (468) 6	12.22 (467) 13	12.18 (488) 61	12.21 (481) 24	12.21 (485) 7	12.23 (487) 16	12.23 (486) 22	12.23 (497) 23
DEC 05	12.11 (467) 0		12.11 (472) 10	12.13 (479) 22	12.12 (505) 68	12.20 (501) 6	12.20 (505) 6	12.15 (505) 14	12.15 (525) 20	12.15 (526) 14
JAN 06	12.06 (17) 0		12.06 (17) 0	12.06 (17) 0	12.06 (22) 5	12.06 (22) 0	12.06 (22) 1	12.08 (22) 0	12.08 (22) 0	12.08 (27) 5
FEB 06	12.05 (12) 0		12.05 (12) 0	12.05 (12) 0	12.05 (12) 0	12.05 (12) 0	12.05 (12) 1	12.05 (12) 0	12.05 (12) 0	12.05 (15) 3
MAR 06	12.06 (10) 0		12.06 (10) 0	12.06 (10) 0	12.06 (10) 0	12.06 (10) 0	12.06 (10) 1	12.08 (10) 0	12.08 (10) 0	12.08 (10) 0
APR 06	12.05 (7) 0		12.05 (7) 0	12.05 (7) 0	12.05 (7) 0	12.05 (7) 0	12.05 (7) 0	12.05 (7) 0	12.05 (10) 3	12.05 (10) 0
MAY 06	12.00 (2) 0		12.00 (2) 0	12.00 (2) 0	12.00 (2) 0	12.00 (2) 0	12.00 (2) 0	12.00 (2) 0	12.00 (2) 0	12.00 (2) 0
JUN 06	12.03 (2) 0		12.03 (2) 0	12.03 (2) 0	12.03 (2) 0	12.03 (2) 0	12.03 (2) 0	12.03 (2) 0	12.03 (2) 0	12.03 (2) 0
JUL 06	12.50 (2) 0		12.50 (2) 0	12.50 (2) 0	12.50 (2) 0	12.50 (2) 0	12.50 (2) 0	12.50 (2) 0	12.50 (2) 0	12.50 (2) 0

CME - (CLASS IV) MILK FUTURES - Dollars per cwt.

NOV 04	13.10 (64) 0	NO TRADING	13.10 (65) 3	13.40 (65) 0	13.40 (65) 2	13.50 (65) 0	13.50 (65) 0	13.34		
JAN 05	11.92 (9) 0		11.92 (9) 0	12.08 (9) 0	12.10 (9) 0	12.15 (9) 0	12.30 (9) 0	12.35 (9) 0	12.35 (9) 0	12.35 (9) 0
FEB 05	11.92 (9) 0		11.92 (9) 0	12.08 (9) 0	12.10 (9) 0	12.15 (9) 0	12.30 (9) 0	12.35 (9) 0	12.35 (9) 0	12.35 (9) 0
MAR 05	11.75 (7) 0		11.75 (7) 0	12.05 (7) 0	12.10 (7) 0	12.15 (7) 0	12.30 (7) 0	12.30 (7) 0	12.30 (7) 0	12.30 (7) 0
APR 05	11.75 (7) 0		11.75 (7) 0	11.75 (7) 0	11.75 (7) 0	11.75 (7) 0	11.75 (7) 0	11.75 (7) 0	11.75 (7) 0	11.75 (7) 0
MAY 05	11.75 (5) 0		11.75 (5) 0	11.75 (5) 0	11.75 (5) 0	11.75 (5) 0	11.75 (5) 0	11.75 (5) 0	11.75 (5) 0	11.75 (5) 0
JUN 05	11.75 (5) 0		11.75 (5) 0	11.75 (5) 0	11.75 (5) 0	11.75 (5) 0	11.75 (5) 0	11.75 (5) 0	11.75 (5) 0	11.75 (5) 0
SEP 05	11.75 (1) 0		11.75 (1) 0	11.75 (1) 0	11.75 (1) 0	11.75 (1) 0	11.75 (1) 0	11.75 (1) 0	11.75 (1) 0	11.75 (1) 0
OCT 05	11.75 (5) 0		11.75 (5) 0	11.75 (5) 0	11.75 (5) 0	11.75 (5) 0	11.75 (5) 0	11.75 (5) 0	11.75 (5) 0	11.75 (5) 0
NOV 05	11.75 (6) 0		11.75 (6) 0	11.75 (6) 0	11.75 (6) 0	11.75 (6) 0	11.75 (6) 0	11.75 (6) 0	11.75 (6) 0	11.75 (6) 0

CME - BUTTER FUTURES -- Cents per pound

DEC 04	169.25 (67) 0	NO TRADING	169.25 (62) 3	174.25 (62) 3	177.00 (56) 10	180.50 (56) 0	185.50 (56) 1	195.50 (54) 3	195.00 (54) 0	195.00 (54) 1
MAR 05	160.00 (79) 0		160.00 (79) 0	160.00 (79) 0	160.00 (80) 1	165.00 (82) 2	170.00 (82) 0	170.00 (82) 1	164.00 (82) 0	164.00 (82) 1
MAY 05	160.00 (81) 0		160.00 (81) 0	160.00 (81) 0	160.00 (82) 1	165.00 (86) 8	170.00 (86) 0	170.00 (86) 0	167.00 (86) 0	165.00 (86) 0
JUL 05	160.00 (39) 0		160.00 (39) 0	160.00 (39) 0	160.00 (40) 1	165.00 (42) 3	170.00 (43) 1	170.00 (44) 1	163.00 (44) 0	163.00 (44) 0
SEP 05	160.00 (19) 0		160.00 (19) 0	160.00 (19) 0	160.00 (20) 1	165.00 (20) 0	170.00 (22) 2	170.00 (22) 0	167.00 (22) 0	165.00 (22) 0
OCT 05	160.12 (8) 0		160.12 (8) 0	160.12 (8) 0	160.12 (8) 0	165.12 (10) 2	170.00 (10) 0	170.00 (10) 0	167.00 (10) 0	165.00 (10) 0

1/ At the CME open interest for milk -- 200,000 pounds per contract. For more detailed information, you may call our automated voice system at 608-224-5088.

INTERNATIONAL DAIRY MARKET NEWS

Information gathered November 29 - December 10, 2004

Prices are U.S. \$/MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

WESTERN AND EASTERN EUROPE

WESTERN EUROPE OVERVIEW: European milk production continues to hover around seasonal low levels throughout the region. Reports indicate that milk output is trailing last year at this time. Many producers and handlers are optimistic about the upcoming production season. At this point, manufacturing facilities are running at minimal level, if at all. For the most part, offerings of fresh product are minimal with some inventoried stocks available for domestic and international buyer interest. Currently, most sales activity is centered around an internal or domestic market. International buyer interest is occurring, but a firm Euro is limiting sales transactions. European traders are stating that buyers not able to locate favorably priced dairy products are looking to other international sources. Some buyers are able to negotiate with potential suppliers, but international stocks of manufactured dairy products are not all that available. The EU Dairy Management Committee is scheduled to meet on Thursday, December 9. European traders and handlers do not anticipate too much new news out of this session. At recent meetings, tender activity has been lighter and some subsidy adjustments have been made. Stocks of intervention powder continue to decline and, at this pace, sales from intervention will probably clean out interventions stocks early in 2005.

BUTTER/BUTTEROIL: European butter markets are steady and prices are basically unchanged. Stocks of fresh butter are in limited supply, while storage butter is available. At this point, most sales activity is centered around an internal or domestic market. Firm prices are limiting international buyer interest. Russia is looking for butter for upcoming winter needs, but are finding prices to be higher than they are willing to pay.

82% BUTTERFAT:	2,025 - 2,210
99% BUTTERFAT:	2,200 - 2,700

SKIM MILK POWDER (SMP): Skim milk powder markets are generally steady at unchanged prices. Stocks of powder are available for domestic and international buyer interest. Milk production is basically at seasonal low levels, thus powder production is also lower. At this time of the year, more milk is moving through powder operations versus cheese plants. Most sales activity is centered around internal or domestic needs with international sales light. The limiting factor for international sales is price, influenced greatly by the firm Euro.

1.25% BUTTERFAT:	2,250 - 2,560
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WHOLE MILK POWDER (WMP): Whole milk powder markets remain firm at unchanged prices. Stocks of powder are available. Traders and handler indicate that international sales activity is quiet, attributed to the firm Euro. Buyers are looking for powder, but are looking to sources outside of Europe. Current European sales activity is centered around internal or domestic needs.

26% BUTTERFAT:	2,350 - 2,475
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SWEET WHEY POWDER: Whey powder prices are basically unchanged on a thin market. Traders and handlers report that the market situation is very unsettled and there is quite a bit of higher and lower price volatility at this time. At this point of the year, when possible, milk is being diverted away from cheese production toward powders, thus new whey volumes are lighter.

NONHYGROSCOPIC:	600 - 800
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EASTERN EUROPE OVERVIEW: Milk production in Eastern Europe is also at or very near seasonal low levels. Some reports indicate that overall milk volumes are slightly heavier than last year at this time. Stocks of manufactured dairy products are reported to be available, although international buyer interest is limited by higher than desired asking prices. Russia continues to look for additional butter stocks for the winter season, but they are finding prices to be much higher than they are willing or able to pay.

OCEANIA

OCEANIA OVERVIEW: Oceania milk production is now on the down side of the season in both New Zealand and Australia. Milk production in both countries is down compared to last year at this time. Producers and handlers are cautiously optimistic that the second half of the production season will be favorable and they will be able to recover some of the losses of the first half. Weather conditions in New Zealand are favorable or at least not counter productive to stable production patterns. Temperatures in Australia of 40+ degrees C (104 F) are occurring in areas just north of Victoria. These hot conditions are not helping dairy production recovery in those areas. These temperatures are quickly drying pastures and limiting pasture growth. With these conditions, bush fires are also a concern, although no major incidents are being reported at this time. Stocks of manufactured dairy products are in close balance with demand and, to a great extent, limited to previous commitments. In most instances, handlers and traders indicate that they do not have any uncommitted stocks available for spot or additional buyer interest. Producers and handlers are hopeful that they will be able to generate some additional stocks which will ease current conditions and provide a buffer at that time.

BUTTER: Oceania butter markets are firm with prices unchanged to higher. Butter production continues to follow seasonal milk pattern, but is lagging last year. In many instances, butter stocks are not at desired levels and producers and handlers are indicating that supplies range from in close balance to tight of full needs.

82% BUTTERFAT:	1,850 - 2,350
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CHEDDAR CHEESE: As with most Oceania manufactured dairy products, cheese markets and prices also remain firm. Cheese stocks are reported to be in close balance with contracted needs. Producers and handlers are indicating that buyer interest remains strong for available stocks with most sales activity centering around regular and ongoing customer needs. Most Oceania handlers and traders are stating that they are limiting their sales activities to regular needs, but will consider possible additional sales later in the season if supplies allow.

39% MAXIMUM MOISTURE:	2,650 - 2,900
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SKIM MILK POWDER (SMP): Skim milk powder markets remain firm at unchanged prices. Seasonal milk production is lagging last year, thus powder production and stocks are often not at desired levels. In most instances, suppliers and handlers indicate that they are meeting contracted volumes, but have very little, if any, available for additional buyer interest.

1.25% BUTTERFAT:	2,100 - 2,300
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WHOLE MILK POWDER (WMP): Whole milk powder markets are steady at unchanged prices. The first half of the milk production season did not develop as positively as anticipated, thus powder producers and handlers are indicating that the supply situation is not at desired levels. Usually, production during the first half of the season generates additional stocks to be carried into the second half, but this is not the situation this year. Producers and handlers are cautiously optimistic that the last half of the 2004 - 05 production season will be positive.

26% BUTTERFAT:	2,150 - 2,300
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Exchange rates for selected foreign currencies: December 6, 2004

.8328 Canadian Dollar	.0230 Indian Rupee
.3351 Argentina Peso	.7190 New Zealand Dollar
.0897 Mexican Peso	.7731 Australian Dollar
.3207 Polish Zloty	.0097 Japanese Yen
	1.3400 Euro

To compare the value of 1 US Dollar to Mexican Pesos: $(1/.0897) = 11.1483$. That is 1 US Dollar equals 11.1483 Mexican Pesos.

Source: "Wall Street Journal"

OCTOBER 2004 DAIRY PRODUCTS HIGHLIGHTS

BUTTER production was 103.0 million pounds in October, 6.4 percent above October 2003 and 11.8 percent above September 2004. **AMERICAN TYPE CHEESE** production totaled 311.2 million pounds, 2.0 percent above October 2003 and 5.4 percent above September 2004. **TOTAL CHEESE** output (excluding cottage cheese) was 746.2 million pounds, 0.8 percent above October 2003 and 4.2 percent above September 2004. **NONFAT DRY MILK** production, for human food, totaled 94.6 million pounds, 11.5 percent below October 2003 but 0.7 percent above September 2004. **DRY WHEY** production, for human food, was 74.5 million pounds, 7.7 percent below October 2003 but 1.1 percent above September 2004. **ICE CREAM** (hard) production totaled 68.5 million gallons, 1.9 percent below October 2003 and 3.1 percent below September 2004.

PRODUCTION OF DAIRY PRODUCTS									
PRODUCT	OCT 2004	PERCENT CHANGE FROM:			PRODUCT	OCT 2004	PERCENT CHANGE FROM:		
	1,000 LBS.	OCT 2003	SEP 2004	YEAR TO DATE 1/		1,000 LBS.	OCT 2003	SEP 2004	YEAR TO DATE 1/
BUTTER	102,968	6.4	11.8	-2.9	SOUR CREAM	85,805	2.8	11.4	
CHEESE					YOGURT (PLAIN AND FLAVORED)	201,900	5.3	-14.9	---
AMERICAN TYPES 2/	311,207	2.0	5.4	1.9	CONDENSED WHEY, SOLIDS CONTENT 6/				
CHEDDAR	222,651	0.8	4.1	0.5	SWEET-TYPE, HUMAN FOOD	7,454	-31.0	-5.2	---
SWISS	23,311	-3.5	4.8	---	DRY WHEY PRODUCTS				
BRICK & MUENSTER	7,411	-12.0	13.6	---	DRY WHEY, HUMAN FOOD	74,635	-7.7	1.1	---
CREAM & NEUFCHATEL	72,361	0.9	3.1	---	DRY WHEY, ANIMAL FEED	5,709	7.9	-8.6	---
HISPANIC	12,359	6.7	3.9	---	DRY WHEY, TOTAL	80,344	-6.8	0.4	-5.4
MOZZARELLA	234,479	1.0	4.2	3.0	REDUCED LACTOSE AND MINERALS				
OTHER ITALIAN TYPES	64,878	-0.8	1.3	4.7	HUMAN FOOD	2,955	-19.8	-9.8	---
TOTAL ITALIAN TYPES	299,357	0.6	3.6	3.3	ANIMAL FEED 7/	3,658	6.1	4.6	
ALL OTHER TYPES	20,237	-6.4	-3.3	---	LACTOSE, HUMAN FOOD & ANIMAL FEED	56,259	12.6	3.5	---
TOTAL	746,243	0.8	4.2	2.8	WHEY PROTEIN CONCENTRATE				
COTTAGE CHEESE, CURD 3/	35,131	-5.2	-6.4	---	HUMAN FOOD	24,250	3.5	0.6	---
COTTAGE CHEESE, CREAM 4/	30,465	-5.6	-5.8	-2.3	ANIMAL FEED	4,164	11.9	9.8	---
COTTAGE CHEESE, LOWFAT 5/	29,676	-11.1	-12.1	2.2					
CANNED EVAPORATED & CONDENSED					FROZEN PRODUCTS	1,000 GALLONS	PERCENT CHANGE FROM:		
WHOLE MILK	44,549	-5.7	4.4	---	ICE CREAM (HARD)	68,465	-1.9	-3.1	-4.9
DRY WHOLE MILK	3,132	8.7	-4.9	---	ICE CREAM, LOWFAT (HARD)	9,123	9.2	-1.5	---
NONFAT DRY MILK, HUMAN FOOD	94,588	-11.5	0.7	-8.7	ICE CREAM, LOWFAT (SOFT)	21,110	10.7	-13.3	---
DRY SKIM MILK, ANIMAL FEED	365	-23.8	8.3	---	ICE CREAM, LOWFAT (TOTAL)	30,233	10.3	-10.1	15.0
DRY BUTTERMILK	3,955	9.3	11.5	---	SHERBET (HARD)	3,584	-3.1	-15.4	0.5
					YOGURT (TOTAL)	4,823	-8.7	-10.9	-5.5

MANUFACTURERS' STOCKS, END OF MONTH 8/							
PRODUCT	OCT 2004	PERCENT OF:		PRODUCT	OCT 2004	PERCENT OF:	
	1,000 LBS.	OCT 2003	SEP 2004		1,000 LBS.	OCT 2003	SEP 2004
DRY WHEY PRODUCTS				WHEY PROTEIN CONCENTRATE			
DRY WHEY, HUMAN FOOD	27,501	-22.1	-12.1	HUMAN FOOD	20,497	-10.3	-5.8
DRY WHEY, ANIMAL FEED	2,855	2.8	-43.1	ANIMAL FEED	2,194	-7.5	-13.6
REDUCED LACTOSE & MINERALS—HUMAN & ANIMAL 9/	6,034	-24.2	-13.9	CANNED EVAPORATED & CONDENSED WHOLE MILK	51,917	-11.5	-31.5
LACTOSE, HUMAN FOOD & ANIMAL FEED	72,014	69.9	8.8	NONFAT DRY MILK FOR HUMAN FOOD	115,440	65.0	-9.3
DRY BUTTERMILK, TOTAL	7,092	228.5	11.9				

1/ 2004 cumulative as percent change of 2003 cumulative. 2/ Whole milk cheese, including Cheddar, colby, monterey and jack. 3/ Mostly used for processing into cream or lowfat cottage cheese. 4/ Fat content 4 percent or more. 5/ Fat content less than 4 percent. 6/ Final marketable product only. Does not include quantity used or shipped to another plant for further processing into dry whey or modified whey products. 7/ Not shown when fewer than 3 plants reported or individual plant operations could be disclosed. 8/ Stocks held by manufacturers at all points and in transit. 9/ Reduced lactose and minerals stocks combined to avoid disclosure of individual operations.

SOURCE: "Dairy Products," Da 2-6 (12-04), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

OCTOBER FLUID MILK SALES

During October, about 4.7 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 3.1 percent lower than October 2003. After adjusting for calendar composition, sales in October 2004 were 1.2 percent lower than October 2003. On an individual product basis, after adjusting for calendar composition, sales of flavored fat-reduced milk increased from October 2003, while sales of whole milk, flavored whole milk, reduced fat (2%) milk, low fat (1%) milk, fat-free (skim) milk, and buttermilk decreased from a year earlier.

Editor's Note: Additional data can be found at <http://www.ams.usda.gov/dyfmoms/mib/in-areales.htm>

ESTIMATED TOTAL U.S. SALES OF FLUID MILK PRODUCTS,
OCTOBER 2004, WITH COMPARISONS ^{1/}

Product Name	Sales		Change from: ^{2/}	
	October	Year to Date	Previous Year	Year to Date
	Mil. Lbs.		Percent	
Whole Milk	1,473	14,715	-6.0	-3.2
Flavored Whole Milk	72	714	-23.2	-16.6
Reduced Fat Milk (2%)	1,473	14,517	-2.7	-0.6
Low Fat Milk (1%)	537	5,153	0.1	-1.2
Fat-Free Milk (Skim)	666	6,482	-0.7	-1.3
Flavored Fat-Reduced Milk	357	2,908	2.9	8.8
Buttermilk	44	443	-11.5	-4.2
Total Fluid Milk Products ^{3/}	4,653	45,092	-3.1	-1.3
Total Fluid Milk Products Adjusted ^{3/ 4/}	4,704	44,984	-1.2	-1.5

^{1/} These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas and California, which accounts for approximately 92 percent of total fluid milk sales in the United States. An estimate of total U.S. fluid milk sales is derived by interpolating the remaining 8 percent of sales from the Federal milk order and California data. ^{2/} Percent changes, as well as sales volumes, unless otherwise noted, are shown on an unadjusted basis; see ^{4/}. ^{3/} Total fluid milk products include the products listed plus miscellaneous products and eggnog. ^{4/} Sales volumes and percent changes have been adjusted for calendar composition; see http://www.ams.usda.gov/dyfmoms/mib/clndr_comp_rpt.pdf

PACKAGED SALES OF TOTAL FLUID MILK PRODUCTS IN FEDERAL MILK ORDERS
AND CALIFORNIA, OCTOBER 2004, WITH COMPARISONS ^{1/}

Area (Order Number)	Sales		Change from: ^{2/}	
	October	Year to Date	Previous Year	Year to Date
	Mil. Lbs.		Percent	
Northeast (001)	815	7,898	-2.3	-0.8
Appalachian (005)	293	2,889	-4.8	0.0
Southeast (007)	415	3,957	0.2	-1.2
Florida (006)	248	2,428	1.0	1.2
Mideast (033)	533	5,187	-1.7	-1.1
Upper Midwest (030)	373	3,578	-3.3	-1.2
Central (032)	398	3,836	-3.3	-0.8
Southwest (126)	361	3,490	-3.5	0.0
Arizona-Las Vegas (131) ^{3/}	105	1,073	-6.7	-0.8
Pacific Northwest (124)	183	1,779	-3.6	-0.8
California (---)	558	5,279	-1.6	-2.4

^{1/} These figures are representative of the consumption of total fluid milk products in the respective area; see ^{3/} above for the products included. ^{2/} Percent changes, as well as sales volumes, are shown on an unadjusted basis; see ^{4/} above.

^{3/} The in-area sales data for this order does not include all the sales in the marketing area due to the reporting exemption of fluid milk processors located in Clark County, Nevada.

SOURCE: Monthly reports filed by milk processors subject to the provisions of the applicable Federal milk order, AMS, USDA, and *California Dairy Information Bulletin*, California Agricultural Statistics Service and Milk Stabilization Branch.

FEDERAL MILK ORDER CLASS AND COMPONENT PRICES, NOVEMBER

Component Price Information: Under the Federal milk order pricing system, the butterfat price for November 2004 is \$2.0489 per pound. Thus, the Class II butterfat price is \$2.0559. The protein and other solids prices for November are \$2.4297 and \$0.0800 per pound, respectively. These component prices set the Class III skim milk price at \$8.00 per cwt. The October Class IV skim milk price is \$6.39 which is derived from the nonfat solids price of \$0.7098 per pound.

Product Price Averages: The product price averages for November are; butter \$1.8224, nonfat dry milk \$0.8570, cheese \$1.5886, and dry whey \$0.2367.

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT 1/ 2/						
FEDERAL MILK ORDER MARKETING AREAS 3/	ORDER NUMBER	NOVEMBER 2004				DECEMBER 2004
		CLASS I	CLASS II	CLASS III	CLASS IV	CLASS I
		DOLLARS PER 100 POUNDS				
Northeast (Boston) 4/	001	17.54	14.09	14.89	13.34	17.68
Appalachian (Charlotte) 5/	005	17.39	14.09	14.89	13.34	17.53
Southeast (Atlanta) 6/	007	17.39	14.09	14.89	13.34	17.53
Florida (Tampa) 7/	006	18.29	14.09	14.89	13.34	18.43
Mideast (Cleveland) 8/	033	16.29	14.09	14.89	13.34	16.43
Upper Midwest (Chicago) 9/	030	16.09	14.09	14.89	13.34	16.23
Central (Kansas City) 10/	032	16.29	14.09	14.89	13.34	16.43
Southwest (Dallas) 11/	126	17.29	14.09	14.89	13.34	17.43
Arizona-Las Vegas (Phoenix) 12/	131	16.64	14.09	14.89	13.34	16.78
Pacific Northwest (Seattle) 13/	124	16.19	14.09	14.89	13.34	16.33
All-Market Average	---	16.94	14.09	14.89	13.34	17.08

1/ To convert the Class I price per 100 pounds to the Class I price per gallon, divide 11.63--the approximate number of gallons in 100 pounds of milk.

2/ Note: The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table.

3/ Names in parentheses are the major city in the principal pricing point of the market.

4/ Class I prices at other cities are: New York City, minus \$0.10; Philadelphia, minus \$0.20; Baltimore, minus \$0.25; and Washington, DC, minus \$0.25.

5/ Class I prices at other cities are: Knoxville, minus \$0.30 and Louisville, minus \$0.90.

6/ Class I prices at other cities are: New Orleans; plus \$0.50; Memphis, minus \$0.30; Nashville, minus \$0.50; and Springfield, Mo., minus \$0.90.

7/ Class I prices at other cities are: Orlando, same; Miami, plus \$0.30; and Jacksonville, minus \$0.30.

8/ Class I prices at other cities are: Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20.

9/ Class I prices at other cities are: Milwaukee, minus \$0.05; and Minneapolis, minus \$0.10.

10/ Class I prices at other cities are: Des Moines, minus \$0.20; Omaha, minus \$0.15; Oklahoma City, plus \$0.60; St. Louis, same; and Denver, plus \$0.55.

11/ Class I prices at other cities are: Houston, plus \$0.60; San Antonio, plus \$0.45; Albuquerque, minus \$0.65; and El Paso, minus \$0.75.

12/ Class I price at Las Vegas is minus \$0.35.

13/ Class I prices at other cities are: Portland, same; and Spokane, same.

CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	FOR THE WEEK OF DECEMBER 6 - 10, 2004			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/04	SAME PERIOD LAST YEAR	WEEK ENDING 12/03/04	SAME PERIOD LAST YEAR
BUTTER							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
CHEESE							
Block	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Process	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
NONFAT DRY MILK							
Nonfortified	-0-	-0-	-0-	32,054,980	79,258,569	-0-	864,689,000
Fortified	-0-	-0-	-0-	-0-	-119,048	-0-	46,391,000
TOTAL	-0-	-0-	-0-	32,054,980	79,139,521	-0-	911,080,000

MILK EQUIVALENT, FAT SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF DECEMBER 6 - 10, 2004 =	0.0	0.0	COMPARABLE PERIOD IN 2003 =	3.0	160.5
CUMULATIVE SINCE OCTOBER 1, 2004 =	7.1	373.1	CUMULATIVE SAME PERIOD LAST YEAR =	17.4	921.2
CUMULATIVE JAN. 1 - DEC. 10, 2004 =	60.2	3,235.9	COMPARABLE CALENDAR YEAR 2003 =	709.5	7,334.0

* Factors used for Fat Solids Basis - Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

**Factors used for Skim Solids Basis - Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES FOR THE WEEK OF DECEMBER 6 - 10, 2004 (POUNDS)

REGION	BUTTER			CHEESE			NONFAT DRY MILK	
	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
CENTRAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

CCC ADJUSTED PURCHASES SINCE 10/1/04 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

REGION	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT (%)	
	2004/05	2003/04	2004/05	2003/04	2004/05	2003/04	2004/05	2003/04
CENTRAL	-0-	-0-	-0-	-0-	1,331,567	-0-	4.2	0.0
WEST	-0-	-0-	-0-	-0-	29,652,810	79,139,521	92.5	100.0
EAST	-0-	-0-	-0-	-0-	1,070,603	-0-	3.3	0.0
TOTAL	-0-	-0-	-0-	-0-	32,054,980	79,139,521	100.0	100.0

NDM SELLBACK TO THE TRADE The cumulative sellback total for 2004 is **67,347,152 pounds**.

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER NOVEMBER 15, 2002

MANUFACTURING MILK Average Test 3.67% - \$9.90 per cwt.

BUTTER Bulk \$1.0500 per pound; 1# Prints \$1.0850

CHEESE 40 & 60# Blocks \$1.1314 per pound; 500# Barrels \$1.1014; Process American 5# \$1.1889; Process Am. 2# \$1.2289

NONFAT DRY MILK Nonfortified \$.8000 per pound; Fortified \$.8100; Instant \$0.9625

U.S. Dairy & Total Cow Slaughter under Federal Inspection, by Regions, for Week Ending 11/20/04 & Comparable Week 2003

Regions* (000 HEAD)	U.S. TOTAL										% DAIRY OF ALL	
	1	2	3	4	5	6	7	8	9	10	WEEK SINCE JAN 1	WEEK SINCE JAN 1
2004-Dairy	0.0	0.7	7.0	2.7	15.0	3.0	0.6	0.8	13.9	2.3	45.9	43.3
2003-Dairy	0.2	0.8	9.5	5.6	23.8	2.5	0.5	1.0	15.2	2.9	62.0	46.5
2004-All cows	0.0	0.7	8.7	12.9	29.6	14.2	13.8	3.5	16.6	6.1	106.1	47.6
2003-All cows	0.2	1.0	12.6	12.9	35.6	18.3	22.7	3.9	17.7	8.5	133.4	

SOURCE The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, the Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

CLASS III MILK PRICES, (3.5% BF)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2001	9.99	10.27	11.42	12.06	13.83	15.02	15.46	15.55	15.90	14.60	11.31	11.80
2002	11.87	11.63	10.65	10.85	10.82	10.09	9.33	9.54	9.92	10.72	9.84	9.74
2003	9.78	9.66	9.11	9.41	9.71	9.75	11.78	13.80	14.30	14.39	13.47	11.87

FEDERAL MILK ORDER CLASS PRICES FOR 2004 (3.5% BF)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	11.85	11.59	11.94	13.64	19.65	21.13	17.95	14.62	13.94	14.78	14.29	14.43
II	11.67	12.90	14.79	15.21	15.03	14.31	14.00	13.13	13.66	13.57	14.09	
III	11.61	11.89	14.49	19.66	20.58	17.68	14.85	14.04	14.72	14.16	14.89	
IV	10.97	12.21	14.10	14.57	14.50	13.72	13.31	12.46	13.00	12.81	13.34	

1/ Specific order differentials to be added to this base price are located at www.ams.usda.gov/dyfm05/mib/cls_prod_cmp_pr.htm